

Capespan International Holdings Limited

Directors' report and
consolidated financial statements

52 weeks ended 30 December 2001

Registered number: 2948753



Capespan International Holdings Limited

Directors' report and consolidated financial statements

<i>Contents</i>	<i>Page</i>
Directors and other information	1
Directors' report	2
Statement of directors' responsibilities	5
Independent auditors' report	6
Statement of accounting policies	7
Consolidated profit and loss account	10
Consolidated statement of total recognised gains and losses	11
Consolidated balance sheet	12
Company balance sheet	14
Consolidated cash flow statement	15
Notes forming part of the financial statements	17

Capespan International Holdings Limited

Directors and other information

Directors	PF DeVilliers Clüver (Chairman, South African) E Caulfield (Irish) R Byrne (Irish) P Misselbrook (British) P Peviani (Italian) E Van Vlaanderen (South African – resigned 31 January 2001) D McCann (Irish)
Secretary	NK Dockar
Registered office	Moorbridge Court 29-41 Moorbridge Road Maidenhead Berkshire SL6 8LT
Auditors	KPMG Chartered Accountants 1 Stokes Place St. Stephens' Green Dublin 2
Bankers	National Westminster Bank PLC Slough Business Centre 118 High Street Slough Berks. SL1 1JG
Solicitors	Pinsent Curtis Biddle Dashwood House 69 Old Broad Street London EC2M 1NR

Capespan International Holdings Limited

Directors' report

The directors present their annual report and the audited financial statements for the 52 weeks ended 30 December 2001 (comparative figures are for the 53 weeks ended 31 December 2000).

Principal activities

The principal activity of the company is acting as a holding company. The principal activity of its subsidiaries is the provision of marketing, selling and distribution services in relation to the fruit trade and allied products, acting as agent on behalf of one of its ultimate joint parent undertakings and other Principals.

Results and business review

The results of the group for the year ended 30 December 2001 are set out on page 10.

On 31 August 2001, the group acquired part of the UK fresh produce business of Fyffes Group Limited, one of its joint parent undertakings, for a consideration of £4,162,000. Details of acquisitions and disposals during the year are set out in note 10.

The gross sales value and quantity of produce handled by the group (excluding joint ventures) during the year were as follows:

	Year ended 30 December 2001 £'000	Year ended 30 December 2001 Cartons '000	Year ended 31 December 2000 £'000	Year ended 31 December 2000 Cartons '000
Stonefruit (Apricots, Peaches, Plums)	14,048	3,409	10,853	2,849
Grapes	90,334	15,203	62,940	14,813
Pomefruit (Pears, Apples)	67,469	8,725	53,992	6,314
Exotics (Avocados, Mangoes, Lychees)	7,077	2,123	5,549	2,110
Oranges	50,954	8,977	42,381	10,811
Soft Citrus	12,355	1,433	3,971	712
Grapefruit	14,636	2,125	9,862	2,807
Other Citrus	8,580	1,407	4,809	934
Other Fruit	6,786	1,159	11	3
Total Fruit	272,239	44,561	194,368	41,353
Other sales	2,551	-	3,683	-
	274,790	44,561	198,051	41,353
Commission on marketing and logistics	19,503		17,807	
Total turnover	294,293		215,858	

Capespan International Holdings Limited

Directors report *(continued)*

Directors and their interests

The directors who served during the year are set out on page 1.

None of the directors who held office at the end of the financial year had any disclosable interests in the shares of the company or any other group companies.

Proposed dividend

The directors do not recommend the payment of a dividend (2000: £Nil).

Corporate restructuring

In order to better meet the needs of customers and growers, the Board approved a restructuring plan in 2001 which changes the way business is conducted in a number of European markets, along with rationalisation of head office functions. A charge of £1,997,000 was incurred in the year in respect of staff redundancies, office closure and other costs arising as a result of the restructuring.

Future developments

The group's focus on delivering superior returns to growers remains paramount. Increasingly this is only achieved through having a twelve month supply and presence in all key market and fruit categories. In this regard new supply sources will continue to be developed together with seeking to maximise efficiencies through closer working with key retail customers.

Employees and employee involvement

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment within the group continues and that appropriate training is arranged. It is the policy of the group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

The group retains its full commitment to ensuring employees are fully involved with, and kept informed of, the progress of both the particular business, and the group overall, on a regular basis. The development of employees to realise their full potential is considered fundamental to the long-term success of the group.

Euro

Management has addressed the financial and commercial implications of the introduction of the Euro and the process of Economic and Monetary Union for the group and its customers and suppliers. The ongoing programme of enhancing computer systems will ensure that the group is well placed to deal with any requirements of customers or suppliers with regard to the Euro.

Capespan International Holdings Limited

Directors report *(continued)*

Payments to creditors

It is the group's normal practice to make payments to suppliers in accordance with agreed terms provided that the supplier has performed in accordance with the relevant terms and conditions. As a large part of purchases are made from group companies the company does not believe it is meaningful to disclose third party creditors days.


Post balance sheet events

There have been no material post balance sheet events.

Auditors

KPMG were appointed as auditors during the year. In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Signed on behalf of the board


R Byrnie
Director

7 May 2002

Capespan International Holdings Limited

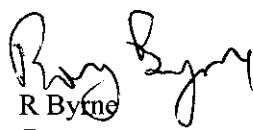
Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and group and of the profit or loss for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

On behalf of the board


R Byrnes
Director

Independent auditors' report to the members of Capespan International Holdings Limited

We have audited the financial statements on pages 7 to 37.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 5, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion, the financial statements give a true and fair view of the state of affairs of the company and the group as at 30 December 2001 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



KPMG
Chartered Accountants
Registered Auditors

7 May 2002

Capespan International Holdings Limited

Statement of accounting policies

for the year ended 30 December 2001

Accounting policies

The financial statements are prepared in accordance with applicable accounting standards. The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the group's financial statements.

Accounting convention

The financial statements are prepared under the historical cost convention.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company, its subsidiaries and joint ventures. The financial statements include the results of subsidiaries acquired during the year from the effective dates of acquisition, adopting acquisition accounting methods.

Accounting for agency agreement

The directors are of the opinion, given that the group's agency agreements are in the main undisclosed to its customers, that debtors and creditors should be shown gross. Under these agreements, certain Principals hold beneficial interests in such debtors and creditors, save for any balance where credit risk falls on the group due to approved credit limits being breached and approval not being received from the Principals.

Turnover

Turnover represents the amounts (excluding value added tax) derived from the sale of fruit and allied products and services to third party customers.

Joint venture undertakings

The group's share of the joint ventures' turnover and operating profit is shown separately in the consolidated profit and loss account. The amount included in the group balance sheet is the group's share of the net assets of the joint venture undertaking. The group's share of the gross assets and liabilities of the joint ventures are shown separately on the group's balance sheet.

Tangible fixed assets

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal annual instalments over the estimated useful economic lives of the assets. The rates of depreciation are as follows:

Computer equipment	25% per annum
Computer software development	33% per annum
Motor vehicles	25% per annum
Fixtures, fittings and other equipment	Between 10% and 20% per annum
Buildings	20% per annum

Capespan International Holdings Limited

Statement of accounting policies *(continued)*

Investments

Investments held as fixed assets are stated at cost less provision for any permanent impairment in value.

Goodwill

On the acquisition of a business fair values are attributed to the group's share of net separable assets. Where the cost of acquisition exceeds the fair values attributable to such net assets the difference is treated as purchased goodwill and is capitalised in the group balance sheet in the year of acquisition and amortised over its estimated useful life.

Taxation

The charge for taxation is based on the profit for the year. Deferred taxation is provided on timing differences, arising from the different treatment of items for accounting and taxation purposes, which are expected to reverse in the future, calculated at rates at which it is estimated that tax will arise.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost comprises the direct cost of fruit to the group. Net realisable value is based on estimated selling price less all further marketing and selling costs.

Leased assets

Assets held under leasing arrangements that transfer substantially all the risks and rewards of ownership (finance leases) to the group are included in the balance sheet as tangible fixed assets at cost less accumulated depreciation and the capital element of future rentals is treated as a liability. The interest element is charged to profit and loss account over the period of the finance lease in proportion to the balance of capital repayments outstanding.

Operating lease rentals are charged to income in equal annual amounts over the lease term.

Foreign currency

Assets and liabilities denominated in foreign currencies and net assets of overseas operations are translated into sterling at the rates of exchange ruling at the balance sheet date. The profits and losses of overseas operations are translated into sterling at average rates. Exchange rate variations, which arise from the translation at rates different from those used in the previous accounts in respect of the opening net assets of the overseas subsidiaries, are dealt with as a movement on reserves. Exchange profits or losses realised on trading transactions are included in the group's trading results.

Capespan International Holdings Limited

Statement of accounting policies *(continued)*

Pension costs

The expected cost of providing pensions, as calculated periodically by professionally qualified actuaries, is charged to the profit and loss account so as to spread the cost over the service lives of employees in the scheme in such a way that the pension cost is a substantially level percentage of current and expected future pensionable payroll.

Capespan International Holdings Limited

Consolidated profit and loss account for the year ended 30 December 2001

	Note	30 December 2001 £'000	31 December 2000 £'000
Turnover: group and share of joint ventures		296,314	217,874
Less: share of joint ventures' turnover		(2,021)	(2,016)
Group turnover	2		
- continuing operations		281,103	215,858
- acquisitions		13,190	- 215,858
		<u>294,293</u>	<u>215,858</u>
Cost of sales		(270,812)	(198,051)
Gross Profit		23,481	17,807
Administrative expenses (including £1,997,000 (2000: £266,000) of exceptional costs in respect of reorganisation)		(22,016)	(20,632)
Other operating income		1,430	1,899
Group operating profit/(loss)			
- continuing operations		3,807	(926)
- acquisitions		(912)	- (926)
		<u>2,895</u>	<u>(926)</u>
Share of operating profit in joint ventures	10	59	73
Total operating profit/(loss) on ordinary activities before interest: group and share of joint ventures	2,4	2,954	(853)
Interest receivable and similar income		228	207
Interest payable and similar charges	5	(257)	(357)
Profit/(loss) on ordinary activities before taxation		2,925	(1,003)
Tax on profit/(loss) on ordinary activities	6	(808)	(323)
Profit/(loss) on ordinary activities after taxation and before minority interests		2,117	(1,326)
Equity minority interests	19	(13)	(87)
Retained profit/(loss) for the financial year	18	2,104	(1,413)

Capespan International Holdings Limited

Consolidated statement of total recognised gains and losses for the year ended 30 December 2001

	<i>Note</i>	30 December 2001 £'000	31 December 2000 £'000
Profit/(loss) attributable to members of the group		2,104	(1,413)
Foreign exchange translation differences on foreign currency net investment in subsidiaries		(74)	(81)
		<hr/>	<hr/>
Total recognised gains and losses for the year		2,030	(1,494)
		<hr/>	<hr/>

Capespan International Holdings Limited

Consolidated balance sheet at 30 December 2001


		30 December		31 December	
	Note	2001 £'000	2001 £'000	2000 £'000	2000 £'000
Fixed assets					
Intangible assets	8		2,895		-
Tangible assets	9		3,845		2,259
Investments in joint ventures	10				
Share of gross assets		602		584	
Share of gross liabilities		(351)	251	(278)	306
			<u>6,991</u>		<u>2,565</u>
Current assets					
Stock	11		1,225		205
Debtors	12		25,889		22,549
Cash at bank and in hand			7,008		9,623
			<u>34,122</u>		<u>32,377</u>
Creditors: amounts falling due within one year	13		(31,977)		(32,808)
Net current assets/(liabilities)			<u>2,145</u>		<u>(431)</u>
Total assets less current liabilities			9,136		2,134
Creditors: amounts falling due after more than one year	14		(467)		(788)
Provisions for liabilities and charges	15		(2,704)		(677)
Minority interests – equity	19		(524)		(758)
Net assets/(liabilities)	2		<u>5,441</u>		<u>(89)</u>

Capespan International Holdings Limited

Consolidated balance sheet *(continued)*
at 30 December 2001

		30 December		31 December	
	Note	2001 £'000	2001 £'000	2000 £'000	2000 £'000
Capital and reserves					
Called up share capital	17		-		-
Share premium	18		6,950		3,450
Other reserves	18		800		800
Profit and loss account	18		(2,309)		(4,339)
			<hr/>		<hr/>
Total shareholders' funds/(deficit) - equity			5,441		(89)
			<hr/>		<hr/>

On behalf of the board


R Byrnes
Director

Capespan International Holdings Limited

Company balance sheet at 30 December 2001

		30 December 2001 £'000	31 December 2000 £'000
	<i>Notes</i>		
Fixed assets			
Financial assets	10	7,750	4,250
		<hr/>	<hr/>
Total assets less current liabilities		7,750	4,250
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	17	-	-
Share premium	18	6,950	3,450
Other reserves	18	800	800
		<hr/>	<hr/>
Shareholders' funds - equity		7,750	4,250
		<hr/>	<hr/>

On behalf of the board


R Byrne
Director

Capespan International Holdings Limited

Consolidated cash flow statement

for the year ended 30 December 2001

	<i>Note</i>	30 December 2001 £'000	31 December 2000 £'000
Net cash inflow from operating activities	20	2,287	2,957
Returns on investments and servicing of finance			
Interest received		228	207
Interest paid		(185)	(267)
Interest element of finance lease payments		(72)	(90)
Dividend received from joint venture undertaking		86	-
Dividends paid to minority interests		-	(153)
Net cash inflow/(outflow) from returns on investments and servicing of finance		57	(303)
Taxation			
Tax paid		(81)	(648)
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets		(2,141)	(366)
Receipts from sale of tangible fixed assets		13	230
Net cash outflow from capital expenditure and financial investment		(2,128)	(136)
Acquisitions and disposals			
Purchase of minority interest in subsidiary		-	(500)
Acquisition of business		(4,162)	-
Proceeds from disposal of minority interest in subsidiary		180	-
Cash disposed of with subsidiary undertaking		(830)	-
Net cash outflow from acquisitions		(4,812)	(500)
Net cash (outflow)/inflow before financing		(4,677)	1,370
Financing			
Capital element of finance leases rental payments		(340)	(151)
Issue of ordinary share capital		3,500	-
Repayment of loans		(1,098)	(638)
Net cash inflow/(outflow) from financing		2,062	(789)

Capespan International Holdings Limited

Consolidated cash flow statement *(continued)*

	<i>Note</i>	30 December 2001 £'000	31 December 2000 £'000
(Decrease)/increase in cash in the year		(2,615)	581
Reconciliation of net cash flow to movement in net funds			
(Decrease)/increase in cash in the year	<i>21</i>	(2,615)	581
Decrease in long term loans and leasing	<i>21</i>	1,438	954
Movement in net funds during the year		(1,177)	1,535
Opening net funds		5,814	4,279
Closing net funds	<i>21</i>	4,637	5,814

Capespan International Holdings Limited

Notes

forming part of the financial statements

1 Turnover

Turnover represents gross sales of fruit and allied products, made whilst acting as agent on behalf of one of the group's joint ultimate parent undertakings and other Principals, and commissions thereon for their marketing, selling and distribution in the UK and Europe.

2 Analysis of turnover, profit/(loss) and net assets/(liabilities)

	Year ended 30 December 2001 Destination £'000	Year ended 31 December 2000 Destination £'000	Year ended 30 December 2001 Origin £'000	Year ended 31 December 2000 Origin £'000
Turnover by origin and destination				
United Kingdom & Ireland	149,807	88,753	150,353	106,678
Benelux	6,997	23,208	42,325	35,058
Germany	37,343	29,473	36,458	29,028
France	20,201	17,340	37,385	31,107
Italy	8,966	5,867	-	-
Austria	8,505	10,247	27,772	13,987
Eastern Europe	12,137	5,935	-	-
Other European countries	50,337	35,035	-	-
	294,293	215,858	294,293	215,858

The directors are of the opinion that all turnover arises from the group's principal activity.

	Year ended 30 December 2001 £'000	Year ended 31 December 2000 £'000
Profit/(loss) on ordinary activities before taxation and interest by origin		
United Kingdom	898	(114)
Benelux	735	(593)
Germany	263	247
France	410	(622)
Austria	589	145
Joint ventures - income before taxation	59	75
Other European countries	-	9
	2,954	(853)

Capespan International Holdings Limited

Notes *(continued)*

2 Analysis of turnover, profit/(loss) and net assets/(liabilities) *(continued)*

	Year ended 30 December 2001 £'000	Year ended 31 December 2000 £'000
Net assets/(liabilities) by origin		
United Kingdom	5,224	(1,536)
Benelux	(1,100)	1,171
Germany	851	616
France	92	(708)
Italy	175	187
Austria	199	28
Other European countries	-	153
	<u>5,441</u>	<u>(89)</u>

Acquisitions during the year contributed £1,218,000 (excluding goodwill) to the segmental net assets of the United Kingdom.

Disposals during the year removed £495,000 from the segmental net assets of Germany.

3 Information regarding directors and employees

	Year ended 30 December 2001 £'000	Year ended 31 December 2000 £'000
Total directors' emoluments, excluding pension contributions	-	-
Pension contributions	-	-
Remuneration of the highest paid director	-	-

Capespan International Holdings Limited

Notes (continued)

3 Information regarding directors and employees (continued)

	Year ended 30 December 2001 No	Year ended 31 December 2000 No
Average number of persons employed		
Sales and distribution	146	111
Administration	193	117
Production	115	13
	<hr/> 454	<hr/> 241
	<hr/>	<hr/>
Staff costs during the year (including directors)	£'000	£'000
Wages and salaries	9,935	7,657
Social security costs	1,097	504
Pension costs	628	529
	<hr/> 11,660	<hr/> 8,690
	<hr/>	<hr/>

4 Group operating profit/(loss)

	Year ended 30 December 2001 £'000	Year ended 31 December 2000 £'000
Group operating profit/(loss) is after charging/(crediting):		
Depreciation and amortisation of:		
Owned tangible assets	693	785
Assets held under finance leases	258	243
Goodwill	49	-
Rentals under operating leases:		
Other operating leases	866	1,660
Foreign exchange loss/(gain)	31	(171)
Auditors' remuneration:		
Audit fees	79	85
Other services	25	50
	<hr/>	<hr/>

The company audit fee was £10,000 (2000: £10,000)

Capespan International Holdings Limited

Notes (continued)

5 Interest payable and similar charges

	Year ended 30 December 2001 £'000	Year ended 31 December 2000 £'000
Bank loans and overdrafts	157	220
Other loans	28	46
Interest on finance leases	72	91
	<hr/>	<hr/>
	257	357
	<hr/>	<hr/>

6 Tax on profit/(loss) on ordinary activities

	Year ended 30 December 2001 £'000	Year ended 31 December 2000 £'000
UK corporation tax at 30% (2000: 31%)	238	80
Overseas taxation	564	223
Share of tax in associated undertaking	23	26
Deferred taxation charge	(52)	13
Under/(over) provision relating to prior year:		
UK corporation tax	35	(19)
	<hr/>	<hr/>
	808	323
	<hr/>	<hr/>

7 Profit and loss account of the company

As permitted by Section 230 of the Companies Act 1985, the profit and loss account of the company is not presented as part of these accounts. The company did not trade during the period and accordingly, made neither a profit or a loss.

Capespan International Holdings Limited

Notes *(continued)*

8 Intangible fixed assets - group

	Goodwill £'000
Cost	
At 1 January 2001	282
Additions during the year	2,944
	<hr/>
At 30 December 2001	3,226
	<hr/>
Provision for diminution in value and amortisation	
At 1 January 2001	(282)
Amortised during the year	(49)
	<hr/>
At 30 December 2001	(331)
	<hr/>
Net book value	
At 30 December 2001	2,895
	<hr/> <hr/>
At 31 December 2000	-
	<hr/> <hr/>

Capespan International Holdings Limited

Notes (continued)

9 Tangible fixed assets

Group	Freehold & leasehold properties £'000	Computer equipment and software £'000	Motor vehicles £'000	Fixtures fittings and other equipment £'000	Total £'000
Cost					
At 1 January 2001	-	3,036	558	2,170	5,764
Adjustment in respect of prior years	-	450	86	369	905
Additions	1,001	418	19	703	2,141
Acquisition of new business	-	26	49	541	616
Disposal of subsidiary undertaking	-	(28)	(286)	(190)	(504)
Disposals	-	(1,640)	(82)	(116)	(1,838)
Exchange adjustment	-	(15)	(16)	(19)	(50)
At 30 December 2001	1,001	2,247	328	3,458	7,034
Depreciation					
At 1 January 2001	-	2,388	419	698	3,505
Adjustment in respect of prior years	-	450	86	369	905
Charge for the year	119	413	46	373	951
Disposal of subsidiary undertaking	-	(18)	(183)	(108)	(309)
Disposals	-	(1,639)	(77)	(110)	(1,826)
Exchange adjustment	-	(11)	(12)	(14)	(37)
At 30 December 2001	119	1,583	279	1,208	3,189
Net book value					
At 30 December 2001	882	664	49	2,250	3,845
At 31 December 2000	-	648	139	1,472	2,259

The net book value of tangible fixed assets includes an amount of £907,000 (2000: £1,165,000) in respect of assets held under finance leases, of which £732,000 relates to plant and equipment, £55,000 relates to computer equipment and £120,000 relates to furniture and fittings. Depreciation for the year on these assets was £258,000 (2000: £243,000).

Capespan International Holdings Limited

Notes (continued)

10 Fixed financial assets - company

	Shares in Subsidiaries £'000	Shares in joint ventures £'000	Total £'000
Cost			
At 31 December 2000	4,250	-	4,250
Additions	3,500	-	3,500
Disposals	-	-	-
	<hr/>	<hr/>	<hr/>
At 30 December 2001	7,750	-	7,750
	<hr/>	<hr/>	<hr/>

The Company has the following investment entities:

	Shareholding %	Type	Incorporated and trading in
Capespan International plc	100	Subsidiary	Great Britain
Held by Capespan International Plc			
Capespan UK Limited	100	Subsidiary	Great Britain
Capespan Continent (North) NV	100	Subsidiary	Belgium
Capespan France SA	100	Subsidiary	France
Capespan Italia Srl	100	Subsidiary	Italy
Capespan International (Deutschland) GmbH	100	Subsidiary	Germany
Capespan Austria GmbH	100	Subsidiary	Austria
Fresh Fruit Terminal Antwerp NV	50	Joint venture	Belgium
Fresh Fruit Terminal (Vlissingen) BV	50	Joint venture	Holland
Capespan Investments (UK) Limited	100	Subsidiary	Great Britain - dormant
Fresh Fruit Services Limited (formerly Capespan Limited)	100	Subsidiary	Great Britain - dormant
Capespan Investments Limited	100	Subsidiary	Great Britain -dormant
Capespan Limited (formerly Fresh Fruit Services Limited)	100	Subsidiary	Great Britain
Global Grapes Limited	100	Subsidiary	Great Britain -dormant
Held by Capespan Limited			
Fresh Fruit Terminal (Sheerness) Limited	50	Subsidiary	Great Britain
Fresh Fruit Processing Limited	100	Subsidiary	Great Britain -dormant
Held by Capespan Continent (North) NV			
Fresh Fruit Services Continent CVBA	100	Subsidiary	Belgium
Held by Capespan International (Deutschland) GmbH			
H. Olff & Sohn GmbH	100	Subsidiary	Germany

Capespan International Holdings Limited

Notes (continued)

10 Fixed financial assets (continued)

All principal subsidiaries and joint venture undertakings provide marketing, selling and distribution services in relation to the fruit trade and allied products, except for Capespan Investments (UK) Limited and Capespan International (Deutschland) GmbH, which act as holding companies. Capespan Investments Limited, Fresh Fruit Processing Limited, Capespan Investments (UK) Limited, Fresh Fruit Services Limited and Global Grapes Limited are dormant and did not trade during the year. Capespan Italia Srl is in voluntary liquidation following cessation of activities.

All the above undertakings have financial years ended on 30 December 2001.

On 31 August 2001, Capespan Limited (formerly Fresh Fruit Services Limited) acquired the Multifresh division from Fyffes Group Limited, one of its joint parent undertakings. The assets acquired and consideration paid were as follows:

	Book value and fair value at acquisition £'000
Stock	664
Fixed assets	616
Fair value adjustment	(62)
	<hr/>
Net assets acquired	1,218
Goodwill arising on acquisition	2,944
	<hr/>
Total	4,162
	<hr/>
Satisfied by:	
Cash consideration	4,162
	<hr/>

The fair value adjustment relates to a stock provision.

Capespan International Holdings Limited

Notes (continued)

10 Fixed financial assets (continued)

On 6 April 2001, Capespan International Plc disposed of its interest in Portco (Bremerhaven) GmbH, effective from 1 January 2001. The net assets disposed of and the consideration received were as follows:

		Book value and fair value at disposal £'000
Fixed assets		195
Debtors		216
Creditors		(746)
Minority interest		(247)
Exchange adjustment		(48)
		<hr/>
Net liabilities disposed of excluding cash		(630)
<i>Satisfied by :</i>		
Consideration received	180	
Cash in subsidiary	(830)	
	<hr/>	(650)
		<hr/>
Loss on disposal		(20)
		<hr/>
Share of joint venture undertakings' net assets under the gross equity method of accounting		
		Group £'000
At 1 January 2001		306
Additions		2
Share of profits before tax for the year		59
Share of tax for the year		(23)
Dividend received		(86)
Exchange revaluation		(7)
		<hr/>
At 30 December 2001		251
		<hr/>

The group's share of joint venture undertakings' retained earnings is £33,000 (2000: £90,000).

Capespan International Holdings Limited

Notes (continued)

11 Stocks - group

	2001 £'000	2000 £'000
Goods for resale	673	205
Consumable stores	552	-
	<hr/>	<hr/>
	1,225	205
	<hr/>	<hr/>

The replacement cost of stock is not significantly different from their book amount.

12 Debtors

	Group 30 December 2001 £'000	31 December 2000 £'000
<i>Amounts falling due within one year</i>		
Trade debtors	13,763	11,071
Amounts owed by group undertakings:		
Ultimate parent undertakings	-	1,944
Immediate parent undertakings	-	-
Subsidiary undertakings	-	-
Other group undertakings	86	72
Corporation taxation recoverable	-	152
Overseas taxation recoverable	-	312
Other debtors	7,975	6,259
Prepayments and accrued income	3,648	2,739
	<hr/>	<hr/>
	25,472	22,549
	<hr/>	<hr/>
<i>Amounts falling due after more than one year</i>		
Other debtors	417	-
	<hr/>	<hr/>
	417	-
	<hr/>	<hr/>
Total debtors	25,889	22,549
	<hr/>	<hr/>

Capespan International Holdings Limited

Notes (continued)

13 Creditors: amounts falling due within one year

	Group	
	30 December	31 December
	2001	2000
	£'000	£'000
Bank loans and overdrafts	1,709	2,615
Other loans	-	64
Obligations under finance leases (see note 23)	195	342
Trade creditors	9,125	3,862
Amounts owed to group undertakings:		
Ultimate parent undertakings	3,843	14,640
Immediate parent undertakings	-	-
Other group undertakings	-	246
Corporation tax	174	28
Overseas tax	215	69
Other taxes and social security	859	324
Other creditors	-	919
Accruals and deferred income	15,857	9,699
	<u>31,977</u>	<u>32,808</u>

The bank loans and overdrafts are secured by a fixed and floating charge over the assets of the company.

14 Creditors: amounts falling due after more than one year

	Group	
	30 December	31 December
	2001	2000
	£'000	£'000
Other loan	-	128
Obligations under finance leases (see note 23)	467	660
	<u>467</u>	<u>788</u>

Capespan International Holdings Limited

Notes *(continued)*

15 Provisions for liabilities and charges

Group	Deferred Tax £'000	Restructuring provision £'000	Pensions and similar obligations £'000	Total £'000
At 1 January 2001	75	120	482	677
Expenditure in year	-	(141)	-	(141)
Charged/(credited) to profit and loss account	(52)	1,997	223	2,168
Exchange adjustment	-	(4)	4	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 December 2001	23	1,972	709	2,704
	<hr/>	<hr/>	<hr/>	<hr/>

Restructuring provision

The restructuring provision relates to the restructuring project described in the Directors' Report on page 3. A provision of £1,972,000 remains at 30 December 2001 which is expected to be fully utilised during 2002.

Capespan International Holdings Limited

Notes (continued)

16 Deferred taxation

	Group	
	30 December	31 December
	2001	2000
	£'000	£'000
Depreciation in excess of capital allowances	23	75

The following deferred tax asset relating to the UK companies was not recognised in the financial statements:

	Group	
	30 December	31 December
	2001	2000
	£'000	£'000
Depreciation in excess of capital allowances	159	214
Losses	398	865
Other timing differences	1	154
	<u>558</u>	<u>1,233</u>

17 Called up share capital

	30 December	31 December
	2001	2000
	£	£
Authorised:		
500 "A" ordinary shares of £1 each	500	500
500 "B" ordinary shares of £1 each	500	500
	<u>1,000</u>	<u>1,000</u>
Called up, allotted and fully paid:		
3 "A" ordinary shares of £1 each	3	2
3 "B" ordinary shares of £1 each	3	2
	<u>6</u>	<u>4</u>

The holders of each class of share have the right to appoint up to four company directors. In all other respects the "A" and "B" shares rank pari passu.

Capespan International Holdings Limited

Notes (continued)

18 Reconciliation of movements in shareholders funds and movement on reserves

Group	Share capital and premium £'000	Capital contribution £'000	Profit and loss account £'000	Total £'000
At 31 December 2000	3,450	800	(4,339)	(89)
Issue of share capital	3,500	-	-	3,500
Retained profit for the year	-	-	2,104	2,104
Exchange rate variations	-	-	(74)	(74)
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 December 2001	6,950	800	(2,309)	5,441
	<hr/>	<hr/>	<hr/>	<hr/>
Company	Share capital and premium £'000	Capital contribution £'000	Profit and loss account £'000	Total £'000
At 31 December 2000	3,450	800	-	4,250
Issue of share capital	3,500	-	-	3,500
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 December 2001	6,950	800	-	7,750
	<hr/>	<hr/>	<hr/>	<hr/>

19 Minority interests - group

	Equity £'000
At 1 January 2001	758
Share of profit for the year	13
Eliminated on disposal of subsidiary undertakings	(180)
Dividends paid in year	(91)
Exchange movement	24
	<hr/>
At 30 December 2001	524
	<hr/>

Capespan International Holdings Limited

Notes (continued)

20 Reconciliation of group operating profit/(loss) to net cash inflow from operating activities

	Year ended 30 December 2001 £'000	Year ended 31 December 2000 £'000
Group operating profit/(loss)	2,895	(926)
Depreciation of tangible fixed assets	951	1,029
Amortisation of Goodwill	49	-
Loss on disposal of subsidiary	20	-
Profit on sale of fixed assets	(1)	(26)
Foreign exchange movement	(8)	(76)
(Increase)/decrease in debtors	(4,020)	(2,374)
Increase in creditors	740	6,371
Increase in stock	(418)	(151)
Provision for restructuring and other provisions	2,079	(890)
Net cash inflow from operating activities	2,287	2,957

21 Analysis of movement in net funds

	1 January 2001 £'000	Cash flow £'000	30 December 2001 £'000
Cash at bank and in hand	9,623	(2,615)	7,008
Debt due within one year	(2,679)	970	(1,709)
Debt due after one year	(128)	128	-
Finance leases	(1,002)	340	(662)
	5,814	(1,177)	4,637

22 Future capital expenditure

	Group 30 December 2001 £'000	31 December 2000 £'000
Authorised but not contracted for	583	1,623

Capespan International Holdings Limited

Notes (continued)

23 Lease obligations

	Group	
	30 December	31 December
	2001	2000
	£'000	£'000
Finance leases		
Repayable:		
Within one year	195	342
Within two to five years	467	649
After five years	-	11
	<hr/>	<hr/>
	662	1,002
	<hr/>	<hr/>

At 30 December 2001 the group was committed to making the following payments in the year ending 31 December 2002 in respect of operating leases:

	30 December 2001		31 December 2000	
	Land and	Other	Land and	Other
	Buildings		buildings	
	£'000	£'000	£'000	£'000
Leases which expire:				
Within one year	72	31	92	51
Within two to five years	-	255	558	171
After five years	1,302	-	1,057	4
	<hr/>	<hr/>	<hr/>	<hr/>
	1,374	286	1,707	226
	<hr/>	<hr/>	<hr/>	<hr/>

Capespan International Holdings Limited

Notes (continued)

24 Pension schemes

The group has continued to account for pensions in accordance with the Accounting Standard SSAP 24 and the disclosures given in (a) are those required by that standard. The new accounting standard on pensions, FRS 17 *Retirement Benefits*, was issued in November 2000 but will not be fully applicable until 2003. The transitional disclosures required under the new standard, to the extent not given in (a) are set out in (b).

- (a) The group has a number of pension schemes throughout Europe. The major schemes, which cover some 74% of scheme members, are split between defined benefit and defined contribution schemes.

The total pension cost for the group in this year was £628,000 (2000: £529,000) of which £277,000 (2000: £225,000) relates to overseas schemes.

The funding relating to the principal UK defined benefit schemes is assessed in accordance with the advice of qualified actuaries at the appropriate time. The latest actuarial assessments were performed as set out below using the projected unit method for both schemes:

	Date of latest actuarial assessment	Market value of scheme assets £'000	Surplus fund over actuarial value of accrued benefits
Unifruco Pension Scheme	1 October 2000	4,715	9%
SACCE Pension Scheme	1 February 2000	15,470	41%

The principal assumptions used by the qualified actuaries in performing the latest actuarial assessments are:

	Unifruco Pension Scheme	SACCE Pension Scheme
Investment returns	7% per annum	5½ & 6½% per annum
Salary growth	5% per annum	4½% per annum
Pension increase	as guaranteed by the scheme	as guaranteed by the scheme

The pension cost relating to foreign schemes includes £57,000 (2000: £60,000) where the charge has been determined in accordance with local best practice and regulations in Germany. The German pension provision has been valued in accordance with SSAP 24.

- (b) The valuations of the defined benefit schemes used for the purpose of FRS 17 disclosures have been based on the most recent actuarial valuations as identified and updated by our independent actuaries to take account of the requirements of FRS 17 in order to assess the liabilities as at 30 December 2001. Scheme assets are stated at their market value at the balance sheet date.

Capespan International Holdings Limited

Notes (continued)

24 Pension schemes (continued)

The financial assumptions used to calculate the retirement benefit liabilities under FRS 17 were as follows:

	Unifruco	SACCE
Valuation method	Projected unit	Projected unit
Discount rate	5.70%	6.0%
Inflation rate	2.75%	2.5%
Increase to pension in payment	as guaranteed by scheme	as guaranteed by scheme
Salary increases	4.75%	4.0%

The market value of the assets in the Unifruco pension scheme and the expected rate of return were:

	Long term rate of return expected at 30 Dec 2001	Value at 30 Dec 2001 £'000
Total market value of pension scheme assets	6.8%	4,534
Present value of pension scheme liabilities		5,589
		<hr/>
Total net retirement benefit deficit		(1,055)
Related deferred tax asset		316
		<hr/>
Total net retirement benefit deficit		(739)
		<hr/>

Capespan International Holdings Limited

Notes (continued)

24 Pension schemes (continued)

The market value of the assets in the SACCE pension scheme and the expected rate of return were:

	Long term rate of return expected at 30 Dec 2001	Value at 30 Dec 2001 £'000
Equities	7.25%	8,500
Gilts	5%	3,594
Bonds	6%	1,547
Other	5%	1,168
Total market value of pension scheme assets		14,809
Present value of pension schemes liabilities		11,620
Total net retirement benefit surplus		3,189
Related deferred tax liability		(956)
Total net retirement benefit surplus		2,233
Net Assets		Group 2001 £'000
Net assets of group excluding pension assets and liabilities		5,441
Net pension asset		2,233
Net pension liabilities		(739)
Net assets of group including pension assets and liabilities		6,935
Reserves		
Profit and loss account excluding pension assets and liabilities		(2,309)
Pension reserve		1,494
Profit and loss account		(815)

Capespan International Holdings Limited

Notes (continued)

25 Ultimate parent undertakings

The company is jointly owned by Capespan (Proprietary) Limited, incorporated in South Africa, and by Fyffes Group Limited, registered in England and Wales.

Capespan (Proprietary) Limited is wholly owned by Capespan Group Holdings Limited, incorporated in South Africa. Fyffes Group Limited is wholly owned by Fyffes plc, incorporated in Ireland. Accounts of the joint ultimate parent undertakings are available from:

Capespan Group Holdings Limited, Parc du Cap, Bellville 7535, Republic of South Africa.

The Secretary, Fyffes plc, 1 Beresford Street, Dublin 7, Ireland.

26 Related party transactions

As noted in the Directors' Report, the group handles fruit on behalf of Capespan (Proprietary) Limited, one of its joint ultimate parent undertakings. In consideration for handling fruit the group receives an arm's length commission.

	Year ended 30 December 2001	Year ended 30 December 2001	Net creditor at 30 December 2001
	Gross sales £'000	Commission Received £'000	£'000
Capespan (Pty) Limited	223,790	19,503	3,786
	Year ended 31 December 2000	Year ended 31 December 2000	Net creditor at 31 December 2000
	Gross sales £'000	Commission Received £'000	£'000
Capespan (Pty) Limited	182,324	12,807	15,711

Capespan International Plc was owed £nil (2000: £10,000) by the South African Co-operative Citrus Exchange ("SACCE") Limited Pension and Life Assurance Scheme in respect of administration services provided by Plc. No administration charges have been borne by the group.

The group purchased services totalling £3,736,000 (2000: £3,464,000) from its joint venture companies. At 30 December 2001, the group was owed £86,000 by its joint ventures (2000: owed to joint ventures £173,000).

Capespan International Holdings Limited

Notes *(continued)*

26 Related party transactions *(continued)*

Capespan International Plc paid Reef Investments Limited, a 100% subsidiary of Fyffes Group Limited, £419,000 (2000: £418,000) in respect of rental costs for Farnham House, the Capespan group's Head Office.

Capespan International Plc received £159,000 from subsidiaries and associated companies of Capespan (Pty) Limited for services provided.

In the normal course of business, the group trades on an arm's length basis with various companies in the Fyffes plc group, one of its joint ultimate parent undertakings. Sales to Fyffes plc group companies for the year amounted to £29,121,000. Fees paid for services provided by Fyffes plc group companies amounted to £168,000.

The net amount owing by the group to Fyffes plc group companies at 30 December 2001 was £57,000.

27 Board approval

The board of directors approved these financial statements on 7 May 2002.